

News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

STATE CONTROLLER CONNELL SEEKS TO OVERTURN LAWYER FEES IN SMOG IMPACT CASE

Governor Joins Effort To Overturn \$88.5 million Fee To Attorneys

SACRAMENTO, December 6, 2000 – State Controller Kathleen Connell announced today she will attempt to overturn an \$88.5 million fee awarded five law firms involved in litigating the Smog Impact Fee case. The fee was awarded last week by a three-person panel in binding arbitration. At the time State Controller Connell expressed outrage at the size of the fees, saying the amount was “mind boggling.”

State Controller Connell will ask the Board of Equalization to reject the arbitrator’s award at their meeting of December 14, 2000.

“I am going to request the Board of Equalization members to ask for reconsideration by the arbitrators or in the alternative to ask the courts to review the arbitration award to lessen the amount or set the entire award aside,” said State Controller Connell.

Late Wednesday, Governor Davis formally requested State Controller Connell to withhold payment to the lawyers, citing the excessive amount of the award. Connell welcomes the Governor’s support. “I’m glad to receive his considerable support in this matter. I hope we can go forward in this matter as one unified voice.”

Previously, State Controller Connell expressed concern over the process that led to the huge award. “I said from the beginning, I oppose entering into a system where we agree in secret to binding arbitration with no cap on how much we agree to pay,” said Connell.

The matter will be presented to Connell’s fellow board members at its December 14, 2000 meeting.

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